The following materials may contain statements that constitute forward-looking statements, plans for the future, management targets, etc. relating to the Company and its subsidiaries. These forward-looking statements are based on current assumptions of future events and trends, which may be incorrect. Actual results may differ materially from those in the statements as a result of various factors.

Unless otherwise noted, the financial data contained in these materials are presented under Japanese GAAP. The Company disclaims any obligation to update or to announce any revision to forward-looking statements to reflect future events or developments. Unless otherwise specified, all the financials are shown on a consolidated basis.

Information concerning financial institutions other than the Company and its subsidiaries are based on publicly available information.

These materials do not constitute an invitation or solicitation of an offer to subscribe for or purchase any securities and neither this document nor anything contained herein shall form the basis for any contract or commitment whatsoever.
Differentiation Through Innovation

Agenda

1. A different kind of Japanese Bank
2. Institutional Banking
3. Consumer and Commercial Finance
4. Retail Banking
5. Conclusion
Shinsei is now uniquely positioned in Japan as a hybrid commercial and investment bank.

We have the relationships and lending capabilities of traditional Japanese banks AND a line of products on par with those of global banks in Japan.
Our strategy is based on 3 core customer-centric business lines supported by world-class infrastructure, risk management and corporate governance.

**Institutional Banking**
- Unique hybrid commercial and investment banking model
- Value-added solutions to targeted customers
- Integrated teams of product specialists and relationship managers for quick and efficient delivery

**Consumer and Commercial Finance**
- Business scale increase via acquisitions
- Implementation of Shinsei’s expertise and know-how
- Synergies with Institutional / Retail Banking businesses

**Retail Banking**
- Attractive and innovative value proposition
- Strong brand development
- Highly efficient bricks and clicks distribution model
Shinsei Solutions to Meet Customer Needs

**Customer Needs**
- Institutional Customers
  - Business Reorganization
  - Asset Management
  - Risk Management
  - Cost Effective Funding
  - Balance Sheet Improvement
  - Business Expansion, M&A
- Individual Customers
  - Higher Returns
  - Lower Costs
  - Ease of Use
  - Convenience
  - Pre-selected Range of Products

**Shinsei Solutions**
- Institutional Banking
  - Assets
    - Securitization
    - Structured Depo
    - Investment Trust
    - Credit Trading
    - M&A Advisory
    - NRL, Project / Leveraged Finance
  - Liabilities
    - Commitment Line
    - Loans, Leasing
    - Loan Syndication
    - Property Finance
    - Private Equity
    - Forex, CP, Derivatives
- Consumer and Commercial Finance
- Retail Banking
  - Institutional Customers
  - Individual Customers
    - PoweredOne Structured Depo
    - 24x7 Free ATM Services
    - PowerSmart Flexible Housing Loan
    - Extended Banking Hours, Online Banking
    - Investment Trusts, Annuities
Shinsei Corporate Governance

- **Highly transparent management and strong monitoring function**
  - Adoption of company with committees board model from June 2004
  - Clear separation of business execution function from strategy development and monitoring function
  - 17 Directors, including 13 outside directors
  - 14 Statutory Executive Officers, including two directors

- **Three Committees (Nomination, Compensation, Audit) comprised of a majority of outside directors**

- **Effective practice of internal audit**
  - Report to both CEO and Audit Committee, independent of the audited business units
  - Received the Institute of Internal Auditors Japan (IIAJ) Chairman's Award in September 2005
Equal opportunities employer

Seniority-system abolished

Specialized skills and experience promoted

Continuous learning culture

Active mid-career hiring

Unique blend of backgrounds and cultures

Unique Blend of Talents
Shinsei staff as of December 2005

- Ex-LTCB: 50%
- Mid-career: 40%
- New Grads: 10%
- Male vs Female: 53% vs 47%
- Japanese vs non-Japanese: 94% vs 6%
- % of female managers: 16%
- Low cost, standard off the shelf components
- Leveraging the internet to move work to the lowest cost location possible
- Collaborating with virtual teams in India, Singapore, Malaysia
- Standard re-usable building blocks to ensure speedy and timely delivery
- Totally paperless process
- Control by machines to reduce friction in operations
- Standard processes to improve productivity
- Leverage technology to make process repeatable and scalable
Shinsei International Strategy

Rationale

I. Earnings Quality and Diversification
- Broaden the Shinsei franchise
- Generate opportunistic P&L

II. Capital Deployment
- Deploy a disciplined amount of Risk Capital, and diversify earnings stream
- Monetize Country Risk capacity (unused resource)

III. Ongoing Development
- Maintain a continuing “window” on financial technology.
- Build affiliations with “like-minded” institutions, for synergy, including for Japan opportunities.

Filter / Trigger

Core Competencies
- Japanese Client and Market Knowledge
- Risk Assessment and Asset Valuation
- Financial and Portfolio Investments
- Business Transformation
- Technology and Process Management

International Opportunities

- Investments
- Partnerships
- Acquisitions
- Advisory
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Relationships and Products

Universe of Relationships

Stable Base
- Credit Trading
- Non-recourse Lending
- Securitization

Growth Areas
- Wealth Management
- Asset Management
- Capital Markets Distribution
- Loan Syndication
- New Securitization Asset Classes

Corporates
Financial Institutions
Real Estate
Public Sector
Segment the customer base and ensure that each relationship receives the appropriate level of service and time.

**Previously**
- Industry Segmentation Only

**Principles of the New Organization**
- Account Segmentation
- Strategy

**Key**
- Custom tailored, per client perspective

**Priority**
- Short list of core clients

**Corporate**
- Industry and needs focused organization developing the rest of the business

**# of Customers**

**Previously**
- 4,000+ customers covered by 200 RMs

**Currently**
- 2,000 customers covered by 164 RMs
  - (Spend 90% of Time Here)
- and the remaining 2,000+ customers are covered, but not as closely
  - (Spend 10% of Time Here)

• No differentiation in terms of time spent on customers by RMs
Real Estate Finance Division integrated with the real estate, construction, and hotel-related Corporate Banking Business Divisions, to form comprehensive Real Estate Finance Sub-Group (REFS).

- We can now increase product penetration into existing accounts and increase new accounts through development of innovative schemes (e.g. nursing home finance, apartment loan financing, MBS, etc.)
Over the next 10 years we will see more innovation in this sector than anywhere else in Japan. We have a great brand and are positioning to capitalize on it.

- Created Public Sector Finance Sub-Group (PSF) in May 2005
- PSF oversees, and centrally coordinates, the activities of all Public Sector RM's, both in the Headquarters and in the various branches
Market Background

- **Funding Needs**
  - Needed to Reconstruct the aging hospital facility
  - Needed to Change the equipment for new bed standard

- **Improving the credibility of hospital accounting**
  - Implement of Hospital accounting standard
  - Tendency to accept an external auditing

- **Changing the banking standard of hospital valuation**
  - From only secured by real estate to the validity of the business planning

Limited Competition

- **Still a wide-open battlefield**
  - **Aozora Bank**
    - Alliance with consulting firm Mediva
  - **Tokyo Star Bank**
    - NRL to nursing care corp.
  - **RBS**
    - Whole Business Securitization
  - **Orix**
    - Wide range of businesses but with small transaction sizes
  - **City/Regional Banks**
    - Bank Loans
Shinsei Bank’s unique Asset Management business model

**What we don’t do**

Unlike most competitors, we do **NOT** manage client assets ourselves, because...

1. We do not believe that we, or any other asset management operation is able to generate superior performance in every asset class.

2. We do not have internal pressure to sell what we produce — so, there is no conflict of interest.

**What we do**

**STEP 1**
Carefully analyze the investment needs of a client to find the optimal solution for the clients’ risk/return requirements

**STEP 2**
Identify “best-in-class” portfolio managers among the global universe of managers to solve the investment problems of our client

**STEP 3**
Package the product in an investor-friendly format in compliance with legal/tax/regulatory requirements

**Advantages for Shinsei Bank**

By focusing on distribution, we...

1. Avoid cost of maintaining a portfolio management operation

2. Reduce operational risk

3. Reduce management complexity

4. Can fire poor managers and replace them with better ones
A JV between Institutional Banking Group (RBG) and Retail Banking Group (RBG) yields a number of synergies:

- **Customer focus:** Can service the needs of company owners/founders as well as wealthy individuals

- **Full access to all of the bank’s products and clients**

- **RM/Sales teams:** Provides natural linkage between retail sales and corporate RMs

- **Infrastructure:** Provides ability to leverage existing infrastructure (e.g. risk management, IT, compliance, securities and operations)

- **Physical Branch Network:** Maximizes use of regional presence

- **Internet Capability:** Leverages RBG’s internet services to serve JV customers and corporate customers
New Solutions: New Securitization Asset Classes

Achievements

- Established a presence in the market as one of the top players
- Asset Class: RMBS, CMBS, CLO, Consumer Loan, Credit Cards, NPL Lease etc.
- FY 2000 – 2004 Total arrangement volume exceeded JPY 1.7 trillion (72 transactions)

New Activities

- Market is shifting from ‘traditional securitization’ to ‘new frontier’
- Currently working on transactions: Whole Business Securitization (WBS)
  - Hospitals
  - Pachinko Parlors
  - Nursing House
  - Broad Band Telecom
- Financial Instrument repackage is a boost

- ABS Market will grow accompanied with WBS
- We will continue to be the top player in the new market
Highlights during 1HFY2005

Non-recourse Real Estate Finance
- Revenue increase of 26.1%
- Balance up 14.4% to JPY 851.8 billion
- 80 new deals closed

Corporate Lending
- Revenue increase of 21.4%
- Loan balance grew 6.8% to over JPY 2.6 trillion

Securitization
- Concluded 10 new deals with JPY 235.6 billion total issuance

Other
- Foreign exchange, derivatives and equity related capital markets revenue increase of 28.3%

Revenue Breakdown by Products
1HFY2004 vs 1HFY2005

- Non-recourse loans
- Forex, Derivatives, Equity related
- Credit Trading
- Corporate Loans*2
- Securitization
- Principal Investment
- Other Capital Markets*1

*1: Significant portion of this income relates to business activities in Shinsei Securities and Shinsei Trust
*2: Includes balance sheet and specialty finance loans

Note: Management accounting basis
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Shinsei Delivers Value Through a Dedicated Team Aligned by Functional Expertise

We Do Not Operate As a Traditional “Affiliates Management Department”
Near-Term Earnings Growth From Lower Cost Business Model…Long Term Growth From Continuous Improvement From Front To Back

- **Revenues**
  - Volume
  - Margin
  - Fees
  - Stabilize core revenue sources
  - In-depth profitability analysis
  - Optimize product and channel mix

- **Expenses**
  - SG&A
  - Funding
  - Credit
  - ST cost basics
  - LT infrastructure migration
  - ST & LT dramatic COF improvement
  - Stabilize credit & ensure discipline

- **Tax**
  - Fully utilize NOL position over near term
Many Potential Synergies Within Consumer & Commercial Finance Business

- Capital Markets
- Cross-Sell (credit card, personal loan, merchant introduction)
- IT

Early identifiable gains from synergy
Targeted work/cooperation begun

Many Potential Revenue & Operating Synergies Identified within CCF…Systematic Execution Only After Ensuring Realizable Gains & Customer Continuity
Highlights during 1HY2005

APLUS and Showa Leasing acquisitions have transformed CCF composition

- **APLUS**
  - APLUS revenue of JPY 40.4 billion and OBP of JPY 19.2 billion represented 70.1% and 69.1% of total CCF business revenue and OBP respectively.
  - APLUS declared first dividend for 11 years.

- **Showa Leasing**
  - Showa Leasing revenue of JPY 12.1 billion and OBP of 6.7 billion represented 21% and 24.1% of total CCF business revenue and OBP respectively.

- **Other**
  - Good performance at other CCF subsidiaries during the 1st half of FY2005.

Note: Management accounting basis.
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A set of values that defines Shinsei in customer terms

- **Accessible** - Always available when I need it / [24 x 7]

- **Easy & convenient** - Is easy to deal with - banking that ‘wows’

- **Responsive** - Always understands / anticipates my needs

- **Delivers value** - Offers the best solution for me

Overall theme: **Empowerment**

(Customers manage and control their banking needs)
Accessible – Extended Hours
Accessible - Internet

Bringing the bank to your home—24 hours a day
Easy & Convenient – No Waiting
Responsive - Understands My Needs
Customers Have Recognized the Difference

Ranked #1 in Customer Satisfaction for two consecutive years in Nikkei’s Financial Institutions Survey

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Nihon Keizai Shimbun Oct. 5, 2004

Nihon Keizai Shimbun Aug. 24, 2005
Customer Focus is Expressed Through the Brand Proposition “Color your life”
SHARE
Information, dreams, worries, aspiration, future…
with our colleagues, customers, families

CARE
Respond flexibly, speedily, hospitably, based on customers’ needs

“IDEA-FULL”
Proposals that say, “Why didn’t someone think of this before?”

WAKUWAKU
Exhilarating at every contact
Launching "Color your life"
Brand Awareness is Amongst the Highest

In the 4 years since new retail banking business launch, brand awareness on Shinsei Bank has significantly increased as compared with the other competitors, and reached 96% in June 2005.

Source: Asatsu-DK Survey
Empowering the customer – they choose the channel

For Shinsei – reach and efficiency
65% of our customers open accounts through remote channels
“IDEA-FULL”

Proposals that say, “Why didn’t someone think of this before?”

Simple and easy to use

Customers transact on their own

Covers a wide range of risk and tenor preferences, a mix of currencies and instruments (e.g. deposits, mutual funds and annuities)

More complex products are available to sophisticated customers (e.g. hedge funds, structured products)

A strong sales process backs each offering
“Our People Are the Difference”

Career Excitement Center

Winning the Talent War

“We hire customer focused people, and train the daylights out of them”

Shinsei Business School

April 2004
Sales Management
Management & Leadership
Sales Skills
Solutions

Branch Training

90 Player/trainers
Sales Skills daily
Innovative Fridays

Internal Communications

Shinsei Daily Celebration
Daily Sales Call
Daily “Why Shinsei?”
Color Your Life e-letter
Weekly Power Go
National Monthly & Qtr Sales
Stable and increasingly diversified revenue growth during 1HFY2005

- Deposit related and forex related fees including structured deposit fees revenue decreased JPY 1.5 billion to JPY 9.8 billion due mainly to favorable market conditions for structured products last year.
- Net fund transfer revenue increased 13.1% due to continued growth in retail deposits and better spreads on USD balances.
- Loan revenue increased significantly due to a 36.4% growth in loan balances to reach JPY 420.3 billion by period end.
- Fee revenue from mutual funds and variable annuities increased 16.6% to JPY 3.2 billion.
- Over 247,000 new retail customer accounts were acquired during the first half of the year, 65% through remote channels.
- Retail accounts exceeded 1.5 million.
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Shinsei’s strong financial performance validates the Bank’s unique and innovative business model.
A New Kind of Japanese Bank

Growth through differentiation

✓ Three pillar business strategy to develop diversified and growing quality earning streams
✓ Differentiation by focusing entirely on customer needs
✓ Leader in product and channel innovation
✓ World class IT and risk management capability
✓ Commitment to transparency and corporate governance
✓ Commitment to building shareholder value

We are already recognized and appreciated as an alternative to the traditional Japanese Bank
Color your life

SHINSEI BANK